

Message Text

LIMITED OFFICIAL USE

PAGE 01 BOMBAY 00093 140718Z

13

ACTION EB-07

INFO OCT-01 NEA-09 ISO-00 CIAE-00 INR-07 NSAE-00 RSC-01

CIEP-01 /026 W

----- 018673

R 140600Z JAN 75

FM AMCONSUL BOMBAY

TO SECSTATE WASHDC 5024

INFO USDOC WASHDC

AMEMBASSY NEW DELHI

AMCONSUL CALCUTTA

AMCONSUL MADRAS

LIMITED OFFICIAL USE BOMBAY 0093

E.O. 11652: N/A

TAGS: BEXP EINV IN

SUBJ: MINISTER GEORGE ON SCOPE FOR MULTINATIONALS IN INDIA

REF/ CERP SECTION D

1. INAUGURATING PHILIPS INDIA LIMITED'S (SUBSIDIARY OF DUTCH PHILIPS) TUNGSTEN FILAMENT WIRE AND COIL PLANT AT KALWA NEAR BOMBAY ON JANUARY 7, GOI MINISTER OF STATE FOR INDUSTRY AND CIVIL SUPPLY A.C. GOERGE DEPLORED THE "GENERAL FASHION" OF DECRYING MULTINATIONALS AND GAVE ASSURANCES THAT GOI WOULD MAKE EXCEPTIONS IN CASES OF COMPANIES LIKE PHILIPS THAT CONTRIBUTE TO NATIONAL ECONOMY. LAUDING THE IMPORT SUBSTITUTION EFFECTS OF PHILIPS' PROJECT, GEORGE WENT ON FURTHER TO ASSURE "GREATER SUMPATHY TO ANY PROPOSAL THAT MIGHT COME FROM PHILIPS" WHICH, ACCORDING TO THE MINISTER, IS DOING A "GREAT SERVICE" TO THE COUNTRY IN TERMS OF EMPLOYMENT AND FOREIGN EXCHANGE EARNING.

2. THE MINISTER, HOWEVER, WAS UNABLE TO SAY WHETHER ALL MULTINATIONAL ORGANIZATIONS CAN EXPECT THE SAME CONSIDERATION AS PHILIPS FROM THE GOI.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 BOMBAY 00093 140718Z

3. COMMENT: GEORGE'S REMARKS WERE MAINLY TO BACK UP PHILIPS

WHICH, ACCORDING TO LOCAL ELECTRONIC INDUSTRY SOURCES, IS A "BLUE-EYED BOY" AMONG MULTINATIONALS OPERATING IN INDIA. ALTHOUGH PHILIPS "EXPORT PRODUCTION PLAN" ENVISAGING PRODUCTION OF ELECTRONIC GOODS FOR INTERNATIONAL MARKET IS UNDER REVIEW BY THE MONOPOLY AND RESTRICTIVE TRADE PRACTICES COMMISSION, AND IS BEING CONTESTED BY LOCAL FIRMS, MINISTER GEORGE REPORTEDLY ASSURED THAT HE COULD SMOOTH THE WAY FOR EXPORT SCHEMES AND HOPED THAT "PHILIPS WOULD PLAY A BIGGER ROLE AND MAKE A MUCH LARGER CONTRIBUTION". ANOTHER CONTROVERSIAL PHILIPS PROJECT PERTAINS TO MANUFACTURE OF MEDICAL ELECTRONIC EQUIPMENT IN WHICH IT BYPASSED THE USUAL CHANNEL OF THE ELECTRONIC COMMISSION AND SUBMITTED IT DIRECTLY TO THE GOI. THE PROPOSED PROJECT IS ALSO BEING CONTESTED BY INDIAN FIRMS INCLUDING GOI-OWNED ELECTRONIC CORPORATION OF INDIA LIMITED.

4. LOCAL INDUSTRY SOURCES ALLEGE THAT PHILIPS HAS "SOME VERY GOOD CONTACTS" AT THE HIGHEST LEVEL THROUGH ITS MARKETING DIRECTOR WHICH ENABLES IT TO IGNORE USUAL GOVERNMENTAL CHANNELS.
BANE

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FOREIGN POLICY POSITION, MULTINATIONAL CORPORATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 14 JAN 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: johnsorg
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975BOMBAY00093
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750013-0807
From: BOMBAY
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750155/aaaabvyl.tel
Line Count: 80
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: johnsorg
Review Comment: n/a
Review Content Flags:
Review Date: 04 AUG 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <04 AUG 2003 by CunninFX>; APPROVED <25 NOV 2003 by johnsorg>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: MINISTER GEORGE ON SCOPE FOR MULTINATIONALS IN INDIA
TAGS: BEXP, EINV, IN
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006